



CITY OF CHELAN
City Council Meeting
January 13, 2026

COUNCIL AND ADMINISTRATIVE PERSONNEL PRESENT

Mayor:

Erin McCardle

Councilmembers:

Augustin Benegas

Brad Chitty

Shane Collins

Jon Higgins

Tim Hollingsworth

Terry Sanders

Absent/Excused

Mark Ericks

Administrative Personnel:

City Administrator Laura McAloon

City Attorney Quentin Batjer

Deputy City Clerk Cailey Couch

Community Development Director John Ajax

Finance Director Heidi Evans

HR/Communication Director Chad Coltman

Interim Parks & Recreation Director Audrey Cooper

Public Works City Engineer Travis Denham

Public Works Director Jake Youngren

1. CALL TO ORDER, PLEDGE OF ALLEGIANCE AND ROLL CALL

The meeting was called to order at 5:15 p.m.

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2. AGENDA CHANGE

Adding Item 5C to the Consent Agenda to Approve December 18, 2025 Accounts Payable Checks and EFT's & Payroll Checks and EFT's (Councilmember Higgins)

Adding item 5D to the Consent Agenda Approve January 13, 2026 Accounts Payable Checks and EFT's & Payroll Checks and EFT's (Councilmember Higgins)

5C. Period 13/1, December 18, 2025 Accounts Payable Checks No. 211999, 212005 - 212064 totaling \$509,586.11 and Payroll Checks 103168 - 103170, EFT's & Direct Deposits totaling \$221,762.59.

5D. January 13, 2026 Accounts Payable Checks No. 212065 - 212092 totaling \$177,080.98 and Payroll Checks No. 103171 - 103182 EFT's & Direct Deposits totaling \$412,953.66

3. CITIZEN COMMENTS

Items not on the agenda. Time limited per the Mayor.

- Erin and Olivia Morin, Resident of Chelan, thanked City Council for the Lakeside Trail. Stating they feel safe to travel to and from Downtown Chelan via walking and via bike.
- Brian Patterson, Resident of Manson, Local Vice President for Resident Coalition of Chelan County (RC3), discussed the letter sent to the City regarding a cap on short-term rentals.

4. MINUTES

- A. Approve December 9, 2025 Minutes of the Regular City Council Meeting (Deputy City Clerk Couch)

MOTION:	I move to approve the Minutes.
MOVER:	Councilmember Hollingsworth
SECONDER:	Councilmember Sanders
AYES:	Councilmember Terry Sanders, Councilmember Augustin Benegas, Councilmember Brad Chitty, Councilmember Jon Higgins, Councilmember Tim Hollingsworth, Councilmember Shane Collins
NAYS:	None
RESULT:	Passed

5. CONSENT AGENDA

All items under the Consent Agenda are approved with one motion.

5C) December 18, 2025 Accounts Payable Checks No. 2119999, 212005 - 212065 & Payroll Checks No. 103168 - 103170 EFT's & Direct Deposits totaling \$221,762.59.

5D) January 13, 2026 Accounts Payable Checks No. 212065 - 212092 totaling \$177,080.98 & Payroll Checks No. 103171 - 103182 EFT's & Direct Deposits totaling \$412,953.66.

- A. Council Committee Liaison Assignments (City Clerk Gallucci)
- B. Clean Vessel Act Grant Application (Interim Parks and Recreation Director Cooper)

MOTION:	I move to approve the Consent Agenda.
MOVER:	Councilmember Jon Higgins
SECONDER:	Councilmember Brad Chitty
AYES:	Councilmember Terry Sanders, Councilmember Augustin Benegas, Councilmember Brad Chitty, Councilmember Jon Higgins, Councilmember Tim Hollingsworth, Councilmember Shane Collins
NAYS:	None
RESULT:	Passed

6. SPECIAL PRESENTATIONS

A. None

7. PUBLIC HEARINGS

A. None

8. MOTION CONSIDERATIONS

A. Resolution No. 2026-1474 Reaffirming the Wellness Incentive Program
(HR/Communications Director Coltman)

HR/Communications director presented Resolution No. 2026-1474 which reaffirms the Wellness Incentive Program. Each year, the City Council reaffirms its commitment to the Wellness Program, known as Live Well Chelan, recognizing the positive impact it has on employee health and wellbeing. A successful wellness program also allows the City to maintain its designation as an AWC Well City, resulting in a 2% savings on medical premiums for both the City and employees.

MOTION:	I move to adopt Resolution No. 2026-1474.
MOVER:	Councilmember Tim Hollingsworth
SECONDER:	Councilmember Jon Higgins
AYES:	Councilmember Terry Sanders, Councilmember Augustin Benegas, Councilmember Brad Chitty, Councilmember Jon Higgins, Councilmember Tim Hollingsworth, Councilmember Shane Collins
NAYS:	None

RESULT:	Passed
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- B. Resolution No. 2026-1475 DLL Finance LLC Lease Agreement and the Golf Cars Etc. Professional Services Agreement for Golf Carts (Interim Parks and Recreation Director Cooper)

Interim Parks and Recreation Director Cooper presented the Golf Cars Etc. Cart Lease Agreement, noting that the Parks Department recommends early return of the current golf cart fleet and acquisition of a new 72-cart Club Car Tempo fleet to ensure reliable operations for the 2026 golf season. Using Sourcewell pricing, staff propose a 60-month fair market value lease through DLL Financial Solutions, which includes operational features and secures a lower winter delivery rate. While 2026 costs will exceed the budget by \$11,691.74 due to the lease payoff and initial payments, the overage will be offset in the budget amendment, and future annual lease costs will fall below the current budgeted amount.

MOTION:	I adopt Resolution No. 2026-1475 and authorize the Mayor to finalize and execute the Golf Cars Etc. Professional Services Agreement for Golf Carts.
MOVER:	Councilmember Tim Hollingsworth
SECONDER:	Councilmember Terry Sanders
AYES:	Councilmember Terry Sanders, Councilmember Augustin Benegas, Councilmember Brad Chitty, Councilmember Jon Higgins, Councilmember Tim Hollingsworth, Councilmember Shane Collins
NAYS:	None
RESULT:	Passed

- C. Washington State Department of Commerce Funding Agreement for a Grant Acceptance for the East Chelan Reservoir Engineering and Construction Management Services (Public Works Director Youngren)

Public Works Director Youngren shared state appropriation funding has been secured to support design efforts for the East Chelan Reservoir project, with the awarded grant administered through the Washington State Department of Commerce.

MOTION:	I move to authorize the Mayor to finalize and execute the Washington State Department of Commerce Funding Agreement for a Grant Acceptance for the East Chelan Reservoir Engineering
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	and Construction Management Services.
MOVER:	Councilmember Shane Collins
SECONDER:	Councilmember Tim Hollingsworth
AYES:	Councilmember Terry Sanders, Councilmember Augustin Benegas, Councilmember Brad Chitty, Councilmember Jon Higgins, Councilmember Tim Hollingsworth, Councilmember Shane Collins
NAYS:	None
RESULT:	Passed

D. Seasonal Onsite RV License Agreement at the Lake Chelan Airport (City Administrator McAloon)

City Administrator McAloon presented the seasonal onsite RV License Agreement which authorizes the Airport Operations Manager to temporarily reside onsite at the Lake Chelan Airport in a personal RV during the winter season, from January 1 through April 30, 2026. This temporary arrangement supports winter airport operations by providing enhanced onsite monitoring and response in addition to the employee's regular duties. The agreement is temporary, does not create tenancy or residency rights, and is contingent upon continued employment in good standing, with the City retaining full control over the RV location and utilities. The occupant is responsible for all utilities, insurance, and RV maintenance, and the City may terminate the agreement with 14 days' notice or immediately for safety, misconduct, or policy violations.

MOTION:	I authorize the Mayor to finalize and execute the Seasonal Onsite RV License Agreement at the lake Chelan Airport in the form approved by the City Attorney.
MOVER:	Councilmember Jon Higgins
SECONDER:	Councilmember Augustin Benegas
AYES:	Councilmember Terry Sanders, Councilmember Augustin Benegas, Councilmember Brad Chitty, Councilmember Jon Higgins, Councilmember Tim Hollingsworth, Councilmember Shane Collins
NAYS:	None
RESULT:	Passed

9. ADMINISTRATIVE REPORTS

A. Eastern Cascade Vending dba Eastern Cascade Distributing 2026 - 2028 Beverage Agreement (Interim Parks and Recreation Director Cooper)

Interim Parks and Recreation Director Cooper shared in continuation of a partnership since 2008, staff is bringing forward an updated Beverage Agreement with Eastern Cascade Distributing (ECD). The agreement designates ECD as the exclusive beverage distributor for City facilities, excluding the golf course, and includes annual fees and revenue sharing, with ECD submitting a lump-sum payment to cover fees from 2023–2025 after a lapse in the contract. Updates to the agreement include revised vending locations, an increased reimbursement for an RV Park informational kiosk, a change to the annual payment date, and updated beverage pricing. Staff reported satisfaction with ECD's service and recommended continuing the agreement, noting that card readers with tap-to-pay capability will be installed on vending machines beginning in 2026.

A. Comprehensive Plan Docket Update (Community Development Director Ajax)

Community Development Director Ajax shared On December 17, 2025 the Planning Commission has formally recommended the 2026 Comprehensive Plan Docket – Public Proposal. The proposal, submitted by M2 Consulting on behalf of the South Chelan Property Owners Group, requests amendments to the Transportation Element to support development on approximately 1,000 acres south of US-97A. Key elements include a new South Chelan Access Corridor, intersection realignment into a roundabout, and integration into the City's transportation planning documents. The proposal outlines a multi-source funding strategy and emphasizes compliance with state transportation concurrency requirements. The request will be evaluated as part of the City's ongoing 2026 periodic Comprehensive Plan update.

B. Golf Course Study Selection Process (Interim Parks and Recreation Director Cooper)

Interim Parks and Recreation Director Cooper provided an update on the solicitation and evaluation process for proposals to select a third-party golf course consultant for the Lake Chelan Golf Course and shared a tentative project timeline. Funding in the amount of \$30,000 has been allocated in the 2026 Golf budget for consultant services. The selection process is expected to include stakeholder participation from City Council, City staff, Lake Chelan Golf Course staff, the Parks and Recreation Advisory Board, and a community member.

C. Varela Engineering & Management Professional Services Agreement for the East Chelan Reservoir Engineering Services (Public Works Director Youngren)

Public Works Director Youngren reported that state appropriation funding has been secured to support design efforts for the East Chelan Reservoir project and that City staff solicited qualifications from five engineering firms. Varela Engineering and Management was selected for the design phase, and a scope of work and fee have been negotiated for the design phase. During this effort, Varela will evaluate and compare multiple reservoir

locations, booster pump station locations, and transmission routes, including survey, structural, environmental, geotechnical, historical and cultural resource, and property or easement considerations through sub-consultants.

- D. RH2 Engineering Inc. Task Authorization No. XX for the Design of the Farnham and Webster Pedestrian Improvements Project (Public Works Director Youngren)

Public Works Director Youngren reported that the City has been awarded Transportation Improvement Board grant funding to address pedestrian safety at the intersection of Farnham and Webster Avenue through the installation of a rectangular rapid flashing beacon.

10. INFORMATIONAL ITEMS

These items are for informational purposes only and are generally not discussed.

- A. Tentative Advanced Agenda (City Administrator McAloon)
- B. Council Committee Liaison Reports (Mayor McCardle)
- C. Contract Tracking Report (City Clerk Gallucci)
- D. Lake Chelan Chamber of Commerce Financial Report - December 2025 (Finance Director Evans)

11. CITY ADMINISTRATOR AND DEPARTMENT REPORTS

City Administrator McAloon

It was reported that the deadline for the Community Benefit Grant has passed, with 13 applications received. Staff will conduct a preliminary review and requested two (2) Councilmembers to participate in the process. Councilmembers Benegas and Sanders volunteered to review the applications, with applicant presentations scheduled for February 3, 2026.

City Attorney Batjer

None.

Community Development Director Ajax

Stated the Sikes property is moving forward towards demolition.

Deputy City Clerk Couch

None.

Finance Director Evans

The department celebrated the completion of the Lake Chelan Airport Accountability Audit and thanked the Councilmembers who attended the exit interview. Information was shared regarding the Washington State Auditor's website and the availability of the "FIT" tool,

which provides insight into the fiscal health of both the City and the Lake Chelan Airport. It was also noted that the City's audit is nearing completion, work is wrapping up for Period 13, and efforts are underway to close out the Airport's financials.

HR/Communications Director Coltman

A reminder was provided to everyone regarding the State of the City Event being held on January 22, 2026, beginning at 6 p.m. at Campbell's Resort, and eight (8) employees were recognized for their work anniversaries in the month of January.

Interim Parks and Recreation Director Cooper

An update was provided on Lakeside Park. Councilmember Hollingsworth inquired why RVs are not being accommodated over the winter compared to previous years, and discussion noted the impact of the monthly rental fee on winter RV use.

Public Works Director Youngren

None.

12. MAYOR AND COUNCIL COMMENTS

Mayor McCardle

Reported that community partners attended the State of the City event, including representatives from Senator Cantwell's office and the offices of Representatives Murray and Schrier. A legislative update was provided noting the review of numerous House and Senate bills, with approximately 50 bills being actively tracked that may impact Chelan, particularly in the areas of housing, fire services, and water quality, with assistance from the City's lobbying firm. She also noted that 13 Community Benefit Grant applications were received and that guardrails are being applied to guide funding decisions. Additional updates included the availability of livestreaming on the City website, and appreciation expressed towards the public comment regarding short-term rentals.

Councilmember Benegas

Shared he appreciated the public comment tonight and thanked City staff for their hard work.

Councilmember Chitty

Shared he appreciated the public comment tonight and thanked City staff for their hard work.

Councilmember Collins

Thanked the public for the comments regarding the Lakeside Trail and a Short Term Rental (STR) cap.

Councilmember Higgins

Thanked the public for their comments and expressed appreciation for the positive

feedback received regarding the Lakeside Trail.

Councilmember Hollingsworth

Thanked the public for their input and participation tonight, stated it was a great meeting from City staff and City Administrator McAloon.

Councilmember Sanders

Shared he appreciated the public comment tonight and thanked City staff for their hard work.

13. RECESS - LAKE CHELAN AIRPORT BOARD

- A. The January 13, 2026 Lake Chelan Airport Board meeting has been cancelled.

14. EXECUTIVE SESSION

- A. None

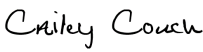
15. ADJOURNMENT

MOTION:	I move to adjourn the January 13, 2026 Council meeting.
MOVER:	Councilmember Hollingsworth
SECONDER:	Councilmember Sanders
AYES:	Councilmember Augustin Benegas, Councilmember Brad Chitty, Councilmember Shane Collins, Councilmember Jon Higgins, Councilmember Hollingsworth, Councilmember Sanders
NAYS:	None
RESULT:	Passed

The meeting was adjourned at 6:45 P.M.

**Date
Approved:**

March 10, 2026

Signed by:

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Cailey Couch
Deputy City Clerk

Signed by:

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Erin McCardle
Mayor